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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/918,781	07/31/2001	Brian R. Gephart	14698.1.1	3286
22913	7590	05/27/2005	EXAMINER	
WORKMAN NYDEGGER (F/K/A WORKMAN NYDEGGER & SEELEY) 60 EAST SOUTH TEMPLE 1000 EAGLE GATE TOWER SALT LAKE CITY, UT 84111			DASS, HARISH T	
		ART UNIT	PAPER NUMBER	
		3628		
DATE MAILED: 05/27/2005				

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>
	09/918,781	GEPHART ET AL.
	<b>Examiner</b>	<b>Art Unit</b>
	Harish T Dass	3628

*-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --*

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

1)  Responsive to communication(s) filed on 31 July 2001.

2a)  This action is **FINAL**.                            2b)  This action is non-final.

3)  Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

4)  Claim(s) 1-21 is/are pending in the application.  
4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5)  Claim(s) \_\_\_\_\_ is/are allowed.

6)  Claim(s) 1-21 is/are rejected.

7)  Claim(s) \_\_\_\_\_ is/are objected to.

8)  Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

9)  The specification is objected to by the Examiner.

10)  The drawing(s) filed on \_\_\_\_\_ is/are: a)  accepted or b)  objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)  The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

12)  Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a)  All    b)  Some \* c)  None of:  
1.  Certified copies of the priority documents have been received.  
2.  Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3.  Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1)  Notice of References Cited (PTO-892)  
2)  Notice of Draftsperson's Patent Drawing Review (PTO-948)  
3)  Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 01/22/2002.

4)  Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_ .

5)  Notice of Informal Patent Application (PTO-152)

6)  Other: \_\_\_\_ .

## DETAILED ACTION

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

## DETAILED ACTION

### ***Claim Rejections - 35 USC § 101***

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-21 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of

whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is

presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under 101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in

State Street (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the Toma test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 1-21 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000.

Therefore, the prior art date of the reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

Claims 1-11 and 13-21 are rejected under 35 U.S.C. 102(e) as being anticipated by Cohen (US 6,422,462).

Re. Claim 1, Cohen discloses issuing a limited-use account number associated with the account, the limited-use account number remaining inactive until the account holder requests activation thereof [abstract; Figure 1; C7 L30-L32; C8 L25-L26]; in response to the account holder using the transaction card to initiate communication with the computer system, receiving said communication, wherein said communication represents a request for activation of the limited-use number [Figure 1; C3 L35-L38]; activating the limited-use account number in response to said communication [Figure 1; C3 L42-L48]; transferring funds from the account in response to the account holder making an authorization using the limited-use number [C10 L63 to C11 L11]; and deactivating the limited-use account number such that the deactivated limited-use account number cannot be used to transfer funds until another request for activation is made by the account holder [Figure 1; C5 L49-L51; C7 L56-L61].

Re. Claim 2, Cohen discloses wherein the act of deactivating the limited-use account number is conducted upon expiration of a specified period of time that begins when the act of activating the limited-use account number is conducted [C6 L4-L8].

Re. Claim 3, Cohen discloses wherein the act of deactivating the limited-use account number is conducted after the act of transferring funds from the account is repeated a specified number of times [C11 L56 to C12 L15; C12 L34-L36].

Re. Claim 4, Cohen discloses wherein the act of deactivating the limited-use account number is conducted after the act of executing a transaction of having a dollar amount specified by the account holder [C11 L5-L6].

Re. Claim 5, Cohen discloses wherein the account information further includes a private identifier associated with the account holder, wherein the act of activating the account number is conducted only after the account holder transmits a copy of the private identifier to the account issuer (corporation customized card) [Abstract; C7 L30-L34].

Re. Claim 6, Cohen discloses further comprising the act of establishing the account, wherein the account represents a line of credit provided for the account holder [C8 L24-L30; C9 L8-L12].

Re. Claim 7, Cohen discloses issuing a first account number associated with an account established by the account issuer, the first account number being activated such that an account holder associated with the account is capable of repeatedly authorizing funds (monitor, control and regulate) to be transferred from the account using the first account number [abstract;

Figure 1; C1 L35-L45; C7 L30-L32; C8 L25-L26]; issuing a second account number associated with the account, the second account number remaining inactive until the account holder requests activation thereof [C9 L12-L30]; activating the second account number in response to a request for activation that is communicated by the account holder to the account issuer using a transaction card [Figure 1; C3 L40-L48; C11 L57 to C12 L15]; transferring funds from the account in response to the account holder making an authorization using the second account number [C10 L63 to C11 L11; C8 L41-L57]; and deactivating the second account number [C5 L49-L51; C7 L56-L61].

Re. Claim 8, Cohen discloses further comprising the act of transferring funds from the account in response to the account holder making another authorization, wherein the other authorization is made using the first account number, the first account remaining activated after the funds have been transferred [C5 L49-L51; C7 L56-L61; C10 L63 to C11 L11].

Re. Claim 9, Cohen discloses wherein the act of deactivating the second account number is conducted upon expiration of a specified period of time that begins when the act of activating the second account number is conducted [C6 L4-L8].

Re. Claim 10, Cohen discloses wherein the act of deactivating the second account number is conducted when the act of transferring funds from the account has been conducted a specified number of times [C11 L56 to C12 L15; C12 L34-L36].

Re. Claim 11, Cohen discloses further comprising the act of establishing the account, wherein the account represents a line of credit provided for the account holder [C8 L24-L30; C9 L8-L12].

Re. Claim 13, Cohen discloses issuing a limited-use account number to an account holder, wherein the limited-use number is associated by the intermediary institution (store card) to a regular account number issued by the other financial institution to the account holder [C7 L30-L32; C8 L25-L26; C8 L32-L33]; activating the limited-use account number in response to a request made by the account holder [C3 L42-L48]; receiving a request from the account holder for the transfer of funds, the request from the account holder having been made using the limited-use account number [C5 L44-L47; C10 L63 to C11 L11]; in response to the request from the account holder, issuing a request for the transfer of funds to other financial institution using the associated regular account number, resulting in the other financial institution transferring funds [C10 L63 to C11 L11]; and deactivating limited-use account number [C5 L49-L51; C7 L56-L61].

Re. Claim 14, Cohen discloses wherein the act of deactivating the limited-use account number is conducted upon expiration of a specified period of time that begins when the act of activating the limited-use account number is conducted [C6 L4-L8].

Re. Claim 15, Cohen discloses wherein the act of deactivating the second account number is conducted when the act of issuing a request from the account holder for the transfer of funds has been conducted a specified number of times [C11 L56 to C12 L15; C12 L34-L36].

Re. Claim 16, Cohen discloses receiving a request from a merchant for verification of the availability of the funds using the limited-use account number and issuing a request to the account issuer for verification of the funds using the associated regular account number, receiving a response to the request to the account issuer; and forwarding the response to the merchant [C5 L26-L58];

Re. Claim 17, Cohen discloses wherein the act of receiving a request from the account holder for the transfer of funds is conducted after communication has been established with the computer system by the account holder using a transaction card [C3 L34-L40; C10 L63 to C11 L11];

Re. Claim 18, Cohen discloses receiving a limited-use account number associated with an account established by an account issuer, the limited-use account number remaining inactive until the account holder requests activation thereof [C1 L58-L59; C5 L44-L47; C10 L63 to C11 L11]; using the transaction card to initiate communication with the account issuer, requesting activation of the limited-use account number under a limited-use condition [C3 L34-L40; C10 L63 to C11 L11; C11 L16-L17]; and after activation of

the limited-use account number, authorizing a transfer of funds using the limited-use account number under the limited-use condition, wherein the limited-use account number is deactivated after the limited-use condition is satisfied [C5 L49-L51; C7 L56-L61; C3 L19-L27].

Re. Claim 19, Cohen discloses wherein the act of initiating communication is conducted in response to the account holder activating a card reader using the transaction card [Figure 1; C3 L35-L38; C7 L30-L32; C8 L25-L26].

Re. Claim 20, Cohen discloses wherein the act of requesting activation of the limited-use account number further comprises the act of selecting, by the account holder, a specific time after which the limited-use number will become deactivated [C6 L4-L8].

Re. Claim 21, Cohen discloses wherein the act of requesting activation of the limited-use account number further comprises the act of selecting, by the account holder, a number a specific number of transactions after which the limited-use account number will become deactivated [C11 L56 to C12 L15; C12 L34-L36].

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claim 12 is rejected under 35 U.S.C. 103(a) as being unpatentable over Cohen.

Re. Claim 12, Cohen does not explicitly disclose comprising the act of establishing the account, wherein the account is a deposit account to which the account holder deposits funds. However, this limitation is well known to customer with debit card which is connected to the saving account which allows the purchases to be deducted from account directly. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cohen and include a debit card connected with customer saving account to allow the card purchases be withdrawn directly from the customer account and save the time of sending statement and due coupons.

### ***Conclusion***

Claims 1-21 are rejected.

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Applicant is required under 37 CFR ' 1.111 (c) to consider the references fully when responding to this action.

US 6,636,833 to Flitcroft et al, Oct. 21, 2003 "Credit card system and method" discloses a credit card system is provided which has the added feature of providing additional limited-use credit card numbers and/or cards. These numbers and/or cards

can be used for a single transaction, thereby reducing the potential for fraudulent reuse of these numbers and/or cards. The credit card system finds application to "card remote" transactions such as by phone or Internet. Additionally, when a single use credit card is used for "card present" transactions, so called "skimming" fraud is eliminated. Various other features enhance the credit card system which will allow secure trade without the use of elaborate encryption techniques.

US 6,250,557 to Forslund et al, June 26, 2001 "Methods and arrangements for a smart card wallet and uses thereof" discloses a smart card wallet for use in making electronic transactions via a mobile phone.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T Dass whose telephone number is 571-272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Art Unit: 3628

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Harish T Dass  
Examiner  
Art Unit 3628

Harish T Dass

4/29/05